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SUBJECT: MEDIA REACTION: PRESIDENT CHEN SHUI-BIAN'S "SECOND REPUBLIC" IDEA, U.S.-TAIWAN RELATIONS

¶1. Summary: Taiwan's major Chinese-language dailies put their focus October 17 on President Chen Shui-bian's idea of writing a constitution for a "Second Republic;" on the KMT's decision Monday to pull back its support for a People First Party proposal on a no-confidence vote against Premier Su Tseng-chang; on the KMT-CCP Cross-Strait Agricultural Forum held in Boao October 17-18; and on a business scandal in which a former financial executive officer of a major holding company was taken into custody for violating the Banking Law. The pro-independence "Liberty Times," Taiwan's largest-circulation daily, ran a banner headline on page four that read "Bian Tosses Off [Idea of a] Second Republic, Part of [DPP's] Constitutional Reform Strategy." The pro-unification "United Daily News," on the other hand, ran a news story on page two that quoted the U.S. State Department as saying Monday that the United States does not support Taiwan independence and is opposed to unilateral attempts by either side of the Taiwan Strait to alter the status quo.

¶2. In terms of editorials and commentaries, a commentary in the pro-status quo "China Times" and a "United Daily News" commentary both noted that President Chen's playing with the constitutional issue is aimed at replacing former President Lee Teng-hui as the paramount leader of Taiwan independence. An editorial in the limited-circulation, conservative, English-language "China Post" commented on a recent U.S. Congressional Research Service report on Taiwan, saying the report is "realistic and explicit, but it underestimates the capabilities of President Chen and his strategists." A separate "China Post" editorial discussed AIT Taipei Director Stephen Young's relationship with the pan-Blue camp, saying "the blue camp has been angry with the U.S. for breaking a promise of not recognizing President Chen's 2004 re-election before a recount." End summary.

¶3. President Chen Shui-bian's "Second Republic" Idea

A) "Constantly Tossing Off New Constitution [Plans] and Calculating Carefully, Bian Vies for Becoming Paramount Leader of Independence Faction"

Journalist Lin Shu-ling said in an analysis in the pro-status quo "China Times" [circulation: 400,000] (10/17):

"After Chen Shui-bian tossed off the idea of a new constitution on territorial redefinition on September 24, the communication between Taipei and Washington had not stopped until before Double Ten National Day. Now Bian was in a hurry to toss off a 'constitution for a Second Republic' and said this does not violate his 'Four Noes' pledge to the United States, and his remarks were echoed by some people in the DPP Central Headquarters. What is Bian's plan after all? ...

"When judged in terms of final outcomes, Chen is in reality the

winner in the upheavals caused by the cessation of the National Unification Council (NUC) in early 2006. He succeeded after all by getting rid of the 'one No' and his pledge to the United States was reduced to 'Four Noes.' Sources said that, when the Presidential Office made the proposal on the territorial issue last month, it claimed once again during its negotiations with Washington that [such a development] 'would not violate the "Four Noes" pledge.' But Washington, unwilling to see a repeat of the NUC matter, put on a stern face and very tough attitude, so Bian had to give up [his idea] at the last minute. The Presidential Office was again emphasizing this time that a 'Second Republic constitution does not violate the "Four Noes" pledge,' so what happens next remains to be seen.

"Bian is clearly aware that no matter what new constitutional draft is proposed by the DPP, the chances are slim for it to pass even in the Legislative Yuan. But he still does not give up; he wants to push it even at the risk of stepping on the red line drawn by the United States. His motivation has to do with how he will be defined when he leaves office in 2008. ... Everyone can tell from the fierce competition lately between Lee Teng-hui and Bian that it was in reality a battle over who will be the 'paramount leader of the independence faction.' ..."

B) "By Constantly Manipulating Issues, Bian Wants to Draw Independence Activists to His Side and Replace Lee"

Journalist Huang Ya-shih noted in an analysis in the pro-unification "United Daily News" [circulation: 400,000] (10/17):

"President Chen's recent call to 'consider re-defining [Taiwan's] territory' triggered grave concerns from the United States. On Sunday he again tossed off the idea of considering a 'Second Republic constitution,' which has touched on the sensitive nerve of sovereignty issues. Even though Bian was simply floating trial balloons of 'his ideas,' his move somehow pointed out the path of REPUBLIC" IDEA, U.S.-TAIWAN RELATIONS

the remainder of his term: namely, cross-Strait relations will face a hard winter in the next one-and-a-half years. ...

"Chen said at a party celebrating Koo Kuan-min's birthday the other day that Koo's dream of 'nation building' ten years ago was something that he 'woke up' to see today. Chen's statement implicitly exposed his idea - namely, should the structures of the internal and external climates remain the same, Bian will definitely use various means in the next one-and-a-half years to try to touch the constitutional 'red line' concerning [Taiwan's] sovereignty. ..."

14. U.S.-Taiwan Relations

A) "U.S., Beware of Chen's Tricks"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (10/17):

"... To reject persistent calls for his resignation and avoid the eventuality of going to jail, Chen is reportedly ready to disrupt the status quo by freezing, not abolishing or amending, the ROC Constitution in the name of improving the effectiveness of Taiwan's governance. All existing government institutions, including the judiciary and the parliament, will be suspended. There won't be a declaration of independence. Washington will have to come to Taiwan's aid should Beijing attack the island. Chen has promised his core supporters to draft a new Taiwan Constitution by the end of 2006, hold a referendum on it in 2007, and implement it on May 20, 2008, when he leaves office. Thus, by successfully freezing the Constitution, he will have built a legacy and at the same time escaped punishments for corruption.

"Kerry Dumbaugh's report on 'Taiwan-U.S. Political Relations: New Strains and Changes' for the U.S. Congress is realistic and explicit, but it underestimates the capabilities of President Chen and his strategists. Angels, be prepared for the worst."

B) "Young, Persona Non Grata?"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (10/17):

"Could the U.S. chief representative in Taiwan be named a persona non grata by lawmakers who were mostly U.S.-trained and known for their pro-U.S. stance? Last Wednesday, the day after the famous National Day 'disgrace,' some two dozen 'pan-blue' (KMT plus PFP) lawmakers actually talked about it. ...

"Differences between the blue camp and Young began to emerge immediately after the new AIT head arrived in Taipei in March with a clear mission to push for an early conclusion of a robust arms deal package offered by President Bush in April 2001. For two years, the Chen administration held up the deal over its cost. When it was finally introduced, with a drastically reduced budget, the deal was blocked by the opposition on grounds that such expenditures 'are too high, too confrontational, and likely unnecessary in light of improvements in cross-strait interactions.'

"There is 'the sea-change in KMT/PFP thinking' after historic visits to Beijing by KMT chairman Lien Chan and PFP chairman James Soong in 2005. The blue camp's support for a security relationship with the U.S., an unfulfilled dream of the KMT during its 50-year rule, appears in doubt now. The blue camp has been angry with the U.S. for breaking a promise of not recognizing President Chen's 2004 re-election before a recount. ... Taiwan's mentor-and-protector is also criticized for failing to stop the Chen administration from degenerating in all aspects, turning Taiwan into a big mess."

YOUNG